

106TH CONGRESS  
2D SESSION

# H. R. 4883

To authorize and direct the maintenance of a reliable and economic uranium enrichment, conversion, and mining industry, to assure the nuclear non-proliferation objects of the United States, to provide for the deployment of advanced uranium enrichment technology, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 18, 2000

Mr. STRICKLAND introduced the following bill; which was referred to the  
Committee on Commerce

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## A BILL

To authorize and direct the maintenance of a reliable and economic uranium enrichment, conversion, and mining industry, to assure the nuclear non-proliferation objects of the United States, to provide for the deployment of advanced uranium enrichment technology, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “The Nuclear Fuel Reli-  
5       ability Act of 2000”.

1 **SEC. 2. FINDINGS.**

2 The Congress finds and declares that—

3 (1) in authorizing the privatization of USEC,  
4 Congress recognized that the activities conducted by  
5 USEC included many public purposes and therefore  
6 directed that privatization only proceed on condition  
7 that privatization—

8 (A) provides for the long-term viability of  
9 the Corporation, provides for the continuation  
10 by the Corporation of the operation of the De-  
11 partment of Energy's gaseous diffusion plants,  
12 provides for the protection of the public interest  
13 in maintaining a reliable and economical domes-  
14 tic source of uranium mining, enrichment and  
15 conversion services, and, to the extent not in-  
16 consistent with such purposes, secures the max-  
17 imum proceeds to the United States;

18 (B) not result in the Corporation being  
19 owned, controlled, or dominated by an alien, a  
20 foreign corporation, or a foreign government;

21 (C) not be inimical to the health and safety  
22 of the public or the common defense and secu-  
23 rity; and

24 (D) provide reasonable assurance that ade-  
25 quate enrichment capacity will remain available

1 to meet the needs of the domestic electric utility  
2 industry.

3 (2) In the period since privatization, it has be-  
4 come evident that USEC, Inc. cannot assure the  
5 protection and fulfillment of the public purposes that  
6 were conditions and predicates to privatization.  
7 USEC, Inc. has—

8 (A) announced that it will no longer pro-  
9 vide for the continuation of both of the Depart-  
10 ment of Energy's gaseous diffusion plants and  
11 will not deploy the low-cost AVLIS enrichment  
12 technology that was a primary predicate for as-  
13 suring its long term viability;

14 (B) engaged in activities, including the liq-  
15 uidation of government provided inventories of  
16 natural uranium and conversion services, that  
17 impair the continued viability of the domestic  
18 uranium conversion and mining industry;

19 (C) experienced increasing financial dif-  
20 ficulties, including downgrade of its credit rat-  
21 ing to below investment grade, and has indi-  
22 cated that, in absence of additional Federal  
23 support, it cannot deploy low cost enrichment  
24 technology that will permit it to be competitive  
25 in global markets;

1 (D) has undertaken management decisions,  
2 such as the payment of dividends in excess of  
3 earnings and the repurchase of its publicly  
4 traded stock, that has consumed large amounts  
5 of its cash flow which has jeopardized the pub-  
6 lic interest in maintaining a reliable and eco-  
7 nomical domestic source enrichment service;  
8 and

9 (E) has sought up to \$200,000,000 in pub-  
10 lic assistance as a condition for continuing to  
11 serve as the Executive Agent under the Russian  
12 HEU Agreement, and failed to demonstrate  
13 that it will meet the core public interest obliga-  
14 tions which it accepted as a condition to privat-  
15 ization.

16 (3) The fulfillment of the public interest pur-  
17 poses set out in the USEC Privatization Act and the  
18 Energy and Policy Act of 1992 requires that—

19 (A) the United States, through a govern-  
20 ment owned corporation, should reassume direct  
21 responsibility for the energy security and na-  
22 tional security purposes heretofore entrusted to  
23 USEC, Inc.;

1 (B) the United States shall determine the  
2 best means to recapture the public interest pur-  
3 poses and assets entrusted to USEC, Inc.;

4 (C) the United States Enrichment Enter-  
5 prise, a government corporation, be established  
6 to assume the energy security, national secu-  
7 rity, and public interest purposes, together with  
8 such assets and liabilities heretofore transferred  
9 to USEC, Inc., as are required to fulfill such  
10 purposes and such other public purposes as are  
11 herein designated.

12 **SEC. 3. DEFINITIONS.**

13 In this Act:

14 (1) CORPORATION.—The term “corporation”  
15 means the USEE.

16 (2) EXECUTIVE AGENT AGREEMENT.—The  
17 term “Executive Agent Agreement” refers to the  
18 Agreement to administer the Russian HEU Agree-  
19 ment on behalf of the United States.

20 (3) GASEOUS DIFFUSION PLANTS.—The term  
21 “gaseous diffusion plants” means the Paducah Gas-  
22 eous Diffusion Plant at Paducah, Kentucky and the  
23 Portsmouth Gaseous Diffusion Plant at Piketon,  
24 Ohio.

1           (4) PRIVATIZATION.—The term “privatization”  
2 means the 1998 privatization of USEC pursuant to  
3 the USEC Privatization Act.

4           (5) REFEDERALIZATION.—The term “refed-  
5 eralization” means the process of taking back the  
6 public interest purposes as well as those related to  
7 energy and national security and the process of the  
8 United States acquiring the ownership and assets of  
9 the enrichment enterprise transferred to USEC, Inc.  
10 under the USEC Privatization Act

11           (6) RUSSIAN HEU AGREEMENT.—The term  
12 “Russian HEU Agreement” means the Agreement  
13 between Government of the United States of Amer-  
14 ica and the Government of the Russian Federation  
15 Concerning the Disposition of Highly Enriched Ura-  
16 nium Extracted from Nuclear Weapons, dated Feb-  
17 ruary 18, 1993.

18           (7) SWU.—The term “SWU” means separative  
19 work unit which is the level of effort required to in-  
20 crease the concentration of U-235 in natural ura-  
21 nium.

22           (8) TRANSFER DATE.—Date in which the sale  
23 of USEC, Inc.’s assets are transferred to USEE.

24           (9) TRANSITION MANAGER.—The term “transi-  
25 tion manager” means the chief executive responsible

1 for the day-to-day operations of USEE before acqui-  
2 sition of USEC, Inc.

3 (10) URANIUM ENRICHMENT.—The term “ura-  
4 nium enrichment” means the separation of uranium  
5 of a given isotopic content into 2 components, 1 hav-  
6 ing a higher percentage of fissile isotope and 1 hav-  
7 ing a lower percentage.

8 (11) USEC.—The term “USEC” means the  
9 United States Enrichment Corporation, a govern-  
10 ment corporation established by the Energy Policy  
11 Act of 1992, the reestablishment of which is pro-  
12 vided for by this Act.

13 (12) USEC, INC.—The term “USEC Inc.”  
14 means the private corporation established pursuant  
15 to the USEC Privatization Act, Public Law 104–  
16 134.

17 (13) USEE.—The term “USEE” means the  
18 United States Enrichment Enterprise, the newly cre-  
19 ated government-owned corporation which will refed-  
20 eralize USEC, Inc. and carry out the purposes of  
21 this Act.

22 **SEC. 4. PLAN TO RECAPTURE PUBLIC PURPOSES AND AS-**  
23 **SETS.**

24 (a) PLAN.—Within 90 days of the date of enactment  
25 of this Act, the Transition Manager and the Secretary of

1 Energy, in consultation with the Secretary of State and  
2 Secretary of the Treasury, shall prepare and present to  
3 the President a plan for the reacquisition of 100 percent  
4 of the stock or the net assets and liabilities of USEC, Inc.  
5 The Secretary of Energy is authorized to secure the serv-  
6 ices of an independent financial advisor, a transaction  
7 manager, auditors, appraisers for valuation, and outside  
8 legal counsel to assist in the development of the plan, the  
9 performance of due diligence, and recommended pathways  
10 for a transaction. The plan shall—

11           (1) identify and provide means to assure the  
12           continued fulfillment of the public interest purposes  
13           stated by Congress in the USEC Privatization Act  
14           and Energy and Policy Act of 1992 in providing for  
15           the privatization of USEC;

16           (2) recommend means to ensure that stock-  
17           holders and creditors of USEC, Inc. will be entitled  
18           to just compensation, not to exceed a 20 percent  
19           premium to the market value of USEC, Inc.’s stock,  
20           if it is traded on a listed exchange as of the date of  
21           enactment of this Act;

22           (3) consider and analyze alternatives including  
23           the use of tender offer and a negotiated transaction  
24           with the Members of the Board of USEC, Inc., or



1 retaining the services of a third party, as a means  
2 of effectuating the transaction;

3 (4) evaluate the option of exchanging Treasury  
4 obligations for USEC, Inc. corporate debt obliga-  
5 tions, as a means of providing just compensation for  
6 creditors;

7 (5) propose legislation required for the refed-  
8 eralization of USEC, Inc. for submission to the Con-  
9 gress, GAO and the President;

10 (6) prepare a fair market valuation for acquisi-  
11 tion, except that the amount of any bonuses, com-  
12 pensation, or severance in excess of one year's an-  
13 nual base salary for officers and directors of USEC,  
14 Inc. shall be deducted to arrive at a net asset value  
15 or fair market value and shall not be included as a  
16 liability to be assumed by USEE or the United  
17 States and any such excess liabilities shall be de-  
18 ducted from compensation due shareholders of  
19 USEC, Inc.

20 Within 30 days of the date of enactment of this Act, the  
21 President shall accept or modify the plan provided or di-  
22 rect its revision for resubmission to the Office of the Presi-  
23 dent within 30 days. Congress shall be notified imme-  
24 diately upon approving the plan.

1 (b) PERIOD FOR CONGRESSIONAL REVIEW.—After  
2 receiving the report under subsection (b), the Congress  
3 shall have 30 days for review of the report and oversight  
4 of the subject matter of the report.

5 (c) IMPLEMENTATION.—Upon the implementation of  
6 the plan, the United States is authorized to take USEC,  
7 Inc. and the Board of Directors of USEC, Inc. shall trans-  
8 fer ownership of the stock and assets and obligations of  
9 USEC, Inc., to USEE, the United States government cor-  
10 poration established under section 6. The Executive Agen-  
11 cy for the Russian HEU Agreement shall be transferred  
12 to USEE at the time of transfer of ownership of USEC,  
13 Inc., if it had not been placed within USEE earlier under  
14 section 5.

15 (d) AUTHORIZATION OF EXPENDITURES.—For the  
16 purposes of this section to transfer ownership of USEC,  
17 Inc. and to execute USEE's responsibilities under section  
18 6, such sums as are necessary are authorized for deposit  
19 in the United States Enrichment Enterprise Fund.

20 **SEC. 5. RESUMPTION OF UNITED STATES CONTROL OVER**  
21 **NATIONAL SECURITY PURPOSES.**

22 (a) HEU AGREEMENT.—After USEE has been es-  
23 tablished, the Secretary of Energy, in consultation with  
24 the Secretary of State and the National Security Council,

1 is authorized to terminate the Executive Agent Agreement  
2 between the United States and USEC, Inc.

3 (b) TRANSFER.—If USEC, Inc. is terminated as Ex-  
4 ecutive Agent, the responsibilities for performance as the  
5 Executive Agent for the Russian HEU Agreement shall  
6 be transferred to USEE, a government-corporation estab-  
7 lished pursuant to section 6.

8 (c) CONTRACTS.—

9 (1) USEE shall be authorized to purchase,  
10 store, or sell enriched uranium acquired pursuant to  
11 the Russian HEU Agreement, and to fulfill contrac-  
12 tual obligations under that Agreement between  
13 USEC, Inc. and Tenex, and shall be authorized to  
14 negotiate new contracts with Tenex for the purchase  
15 of down blended HEU under that Agreement if such  
16 contract is in the public interest.

17 (2) SUSPENSION AGREEMENT.—Nothing herein  
18 shall authorize USEE to enter into any arrangement  
19 for the implementation of the Russian HEU Agree-  
20 ment that would require the importation of non-  
21 HEU derived enrichment services, conversion serv-  
22 ices, or uranium or otherwise render necessary an  
23 amendment to the Agreement Suspending the Anti  
24 Dumping Investigation on Uranium from the Rus-  
25 sian Federation or any other country.

1           (3) MATCHED SALES.—USEE will provide  
2       USEC, Inc. with the right to match any offer re-  
3       ceived for the SWU until the date of the transfer of  
4       ownership of USEC, Inc. or 18 months, whichever  
5       is later.

6       (d) AUTHORIZATION OF EXPENDITURES.—For the  
7       purposes of USEE implementing the Russian HEU  
8       Agreement and carrying out purposes in this section, such  
9       sums as necessary are authorized for deposit in the United  
10      States Enrichment Enterprise Fund.

11   **SEC. 6. ESTABLISHMENT, PURPOSES, POWERS, AND ORGA-**  
12                           **NIZATION OF CORPORATION.**

13       (a) IN GENERAL.—Within 60 days of the date of en-  
14      actment of this Act, there is established a body corporate  
15      to be known as the United States Enrichment Enterprise.

16       (b) GOVERNMENT CORPORATION.—The Corporation  
17      shall be established as a wholly owned Government cor-  
18      poration subject to chapter 91 of title 31, United States  
19      Code (commonly referred to as the Government Corpora-  
20      tion Control Act), except as otherwise provided in this  
21      title.

22       (c) FEDERAL AGENCY.—The Corporation shall be an  
23      agency and instrumentality of the United States.

24       (d) CORPORATE OFFICES.—The Corporation shall  
25      maintain an office for the service of process and papers

1 in the District of Columbia, and shall be deemed, for pur-  
2 poses of venue in civil actions, to be a resident thereof.  
3 The Corporation may establish offices in such other place  
4 or places as it may deem necessary or appropriate in the  
5 conduct of its business.

6 (e) PURPOSES OF THE CORPORATION.—

7 (1) To operate as a business enterprise on an  
8 efficient basis, and to conduct the business as a self-  
9 financing corporation after the deployment of ad-  
10 vanced enrichment technology.

11 (2) To provide for the protection of the public  
12 interest in maintaining a reliable and economical do-  
13 mestic source of uranium mining, enrichment and  
14 conversion services.

15 (3) To lease Department of Energy uranium  
16 enrichment facilities, as needed, and to maintain the  
17 continued operations of the gaseous diffusion plants  
18 until advanced technology is successfully deployed,  
19 and to lease DOE facilities at Portsmouth, Ohio or  
20 Paducah, Kentucky for purposes of deploying ad-  
21 vanced enrichment technology.

22 (4) To sell uranium and conversion services  
23 from its inventories in a manner that will have no  
24 material adverse impact on the domestic conversion  
25 or mining industries, consistent with the restrictions

1 contained in the USEC Privatization Act. USEE  
2 may also acquire uranium for uranium enrichment,  
3 low-enriched uranium for resale, and highly enriched  
4 uranium for conversion into low-enriched uranium,  
5 as needed.

6 (5) To market and sell its enriched uranium  
7 and uranium enrichment and related services to—

8 (A) the Department of Energy for main-  
9 taining a strategic reserve of low enriched ura-  
10 nium suitable for use by commercial nuclear re-  
11 actors;

12 (B) for government purposes; and

13 (C) domestic and foreign persons.

14 (6) To conduct research and development as re-  
15 quired to meet business objectives for the purposes  
16 of identifying, evaluating, improving, testing and de-  
17 ploying alternative technologies for uranium enrich-  
18 ment.

19 (7) To comply with laws to protect the public  
20 health, safety, and the environment.

21 (8) To continue at all times to meet the objec-  
22 tives of ensuring the Nation's common defense and  
23 security, including abiding by United States laws  
24 and policies concerning special nuclear materials and

1 nonproliferation of atomic weapons and other non-  
2 peaceful uses of atomic energy.

3 (9) To take all other lawful actions in further-  
4 ance of these purposes.

5 (f) POWERS OF THE CORPORATION.—In order to ac-  
6 complish its purposes, the Corporation—

7 (1) shall, except as provided in this Act or other  
8 applicable Federal law, have all the powers of a pri-  
9 vate corporation incorporated under the District of  
10 Columbia Business Corporation Act;

11 (2) shall have the priority of the United States  
12 with respect to the payment of debts out of bank-  
13 rupt, insolvent, and decedents' estates;

14 (3) may obtain from the Administrator of Gen-  
15 eral Services the services the Administrator is au-  
16 thorized to provide agencies of the United States, on  
17 the same basis as those services are provided to  
18 other agencies of the United States;

19 (4) shall enrich uranium or acquire enriched  
20 uranium (low-enriched uranium derived from highly  
21 enriched uranium from the United States or Rus-  
22 sia);

23 (5) may conduct, or provide for conducting,  
24 those research, development, and deployment activi-  
25 ties related to uranium enrichment and related proc-

1       esses and activities which the Corporation considers  
2       necessary or advisable to maintain the Corporation  
3       as a commercial enterprise operating on an efficient  
4       basis; and

5           (6) may enter into transactions regarding ura-  
6       nium, enriched uranium, or depleted uranium with—

7           (A) persons licensed under section 53, 63,  
8       103, or 104 of Atomic Energy Act of 1954 in  
9       accordance with the licenses held by those per-  
10      sons, for as long as the Corporation considers  
11      necessary or desirable;

12          (B) persons in accordance with, and within  
13      the period of, an agreement for cooperation ar-  
14      ranged under section 123 of the Atomic Energy  
15      Act of 1954; or

16          (C) persons otherwise authorized by law to  
17      enter into such transactions;

18       (7) shall sell to the Department of Energy as  
19      provided in this Act the amounts of uranium enrich-  
20      ment and related services that the Department de-  
21      termines from time to time are required for it to—

22           (A) carry out Presidential directions and  
23      authorizations; and

24           (B) conduct other Department programs.



1 **SEC. 7. BOARD OF DIRECTORS.**

2 (a) IN GENERAL.—The powers of the Corporation  
3 are vested in the Board of Directors.

4 (b) APPOINTMENT.—The Board of Directors shall  
5 consist of 7 individuals, to be appointed by the President  
6 by and with the advice and consent of the Senate. The  
7 President shall designate a Chairman of the Board from  
8 among members of the Board.

9 (c) QUALIFICATIONS.—Members of the Board shall  
10 be citizens of the United States. No member of the Board  
11 shall be an employee of the Corporation or have any direct  
12 financial relationship with the Corporation other than that  
13 of being a member of the Board.

14 (d) TERMS.—

15 (1) IN GENERAL.—Except as provided in para-  
16 graph (2), members of the Board shall serve 5 year  
17 terms or until the election of a new Board of Direc-  
18 tors, whichever comes first.

19 (2) INITIAL MEMBERS.—Of the members first  
20 appointed to the Board—

21 (A) 2 shall be appointed for a 1-year term;

22 (B) 2 shall be appointed for a 2-year term;

23 (C) 1 shall be appointed for a 3-year term;

24 (D) 1 shall be appointed for a 4-year term;

25 and

26 (E) 1 shall be appointed for a 5-year term.

1 The Board shall be composed of at least one person with  
2 extensive background in nuclear non proliferation policy  
3 or relations with Russia; one person with in-depth knowl-  
4 edge of the uranium enrichment industry; one person who  
5 resides in the state of Kentucky; one person who resides  
6 in the state of Ohio; and one representative or designee  
7 of a union representing workers at USEE's facilities. At  
8 least 2 Board representatives should have expertise in  
9 technology development, chemistry, physics, or engineer-  
10 ing.

11 (3) REAPPOINTMENT.—Members of the Board  
12 may be reappointed by the President, by and with  
13 the advice and consent of the Senate.

14 (e) VACANCIES.—Upon the occurrence of a vacancy  
15 on the Board, the President by and with the advice and  
16 consent of the Senate shall appoint an individual to fill  
17 such vacancy for the remainder of the applicable term.

18 (f) MEETINGS AND QUORUM.—The Board shall meet  
19 at any time pursuant to the call of the Chairman and as  
20 provided by the bylaws of the Corporation, but not less  
21 than quarterly. Five voting members of the Board shall  
22 constitute a quorum. A majority of the Board shall adopt  
23 and from time to time may amend bylaws for the oper-  
24 ation of the Board.

1 (g) POWERS.—The Board shall be responsible for  
 2 general management of the Corporation and shall have the  
 3 same authority, privileges, and responsibilities as the  
 4 board of directors of a private corporation incorporated  
 5 under the District of Columbia Business Corporation Act.

6 (h) COMPENSATION.—Members of the Board shall  
 7 serve on a part-time basis and shall receive per diem, when  
 8 engaged in the actual performance of Corporation duties,  
 9 plus reimbursement for travel, subsistence, and other nec-  
 10 essary expenses incurred in the performance of their du-  
 11 ties.

12 (i) MEMBERSHIP OF SECRETARY OF ENERGY,  
 13 TREASURY AND STATE.—The President may appoint the  
 14 Secretary of the Treasury, the Secretary of State, and the  
 15 Secretary of Energy, or the designee of such a Secretary,  
 16 to serve as a nonvoting, ex-officio member of the Board.

17 (j) CONFLICT OF INTEREST REQUIREMENTS.—No  
 18 director, officer, or other management level employee of  
 19 the Corporation may have a financial interest in any cus-  
 20 tomer, contractor, or competitor of the Corporation or in  
 21 any business that may be adversely affected by the success  
 22 of the Corporation.

23 **SEC. 8. EMPLOYEES.**

24 (a) APPOINTMENT.—The Board shall appoint such  
 25 officers and employees as are necessary for the transaction

1 of its business. Within 30 days of the date of enactment  
2 of this Act, the President shall appoint a Transition Man-  
3 ager, consistent with section 16, until the Board of Direc-  
4 tors can select officers and senior management.

5 (b) COMPENSATION, DUTIES, AND REMOVAL.—The  
6 Board shall, consistent with section 5301 of title 5, United  
7 States Code, fix the compensation of all officers and em-  
8 ployees of the Corporation, define their duties, and provide  
9 a system of organization to fix responsibility and promote  
10 efficiency. Any officer or employee of the Corporation may  
11 be removed in the discretion of the Board, except where  
12 a process for arbitrating dismissals is provided in a collec-  
13 tive bargaining agreement.

14 (c) APPLICABLE CRITERIA.—Officers and senior  
15 management employees shall be appointed, promoted, and  
16 assigned on the basis of merit and fitness, and other per-  
17 sonnel actions shall be consistent with the principles of  
18 fairness and due process consistent with the principles of  
19 section 2301(b) of title 5, United States Code, relating  
20 to merit system principles.

21 (d) TREATMENT OF PERSONS EMPLOYED PRIOR TO  
22 REFEDERALIZATION.—Upon transfer of ownership of  
23 USEC, Inc., USEE or a contractor to USEE shall offer  
24 non-management employees of USEC, Inc. employment to  
25 the extent that their jobs still exist, or they have rights

1 to other employment under the terms of a collective bar-  
2 gaining agreement.

3 (e) COMPENSATION, ETC.—Excluding officers and  
4 senior management, the compensation, benefits, and other  
5 terms and conditions of employment in effect immediately  
6 prior to the refederalization date shall remain in effect for  
7 120 days after the date of refederalization, after which  
8 the Board of Directors shall establish personnel policies.

9 (f) EMPLOYEE PROTECTIONS FOR CURRENT AND  
10 FORMER EMPLOYEES AT THE GASEOUS DIFFUSION  
11 PLANTS.—

12 (1) IN GENERAL.—It is the purpose of this sub-  
13 section to ensure that the establishment and oper-  
14 ations of the Corporation pursuant to this section  
15 shall not result in any adverse effects on the employ-  
16 ment rights, wages, or benefits of employees at the  
17 gaseous diffusion plants, that are operated, directly  
18 or under contract, in the performance of the func-  
19 tions vested in the Corporation.

20 (2) APPLICABILITY OF EXISTING COLLECTIVE  
21 BARGAINING AGREEMENTS.—Any employer (includ-  
22 ing the Corporation, or a contractor) engaged in the  
23 management, operations and security at a facility  
24 described in paragraph (1) shall abide by the terms  
25 of a collective bargaining agreement in effect on the

1 date of transfer of ownership of USEC, Inc., at each  
2 individual facility until the date on which a new bar-  
3 gaining agreement is signed. If no agreement is in  
4 effect, the terms and conditions of the expired agree-  
5 ment shall remain in effect until the parties conclude  
6 a new collective bargaining agreement.

7 (3) APPLICABILITY OF LABOR LAWS.—Notwith-  
8 standing any other provision of law, the employees  
9 of USEE or a contractor to USEE shall be consid-  
10 ered employees subject to the National Labor Rela-  
11 tions Act (29 U.S.C. 151 et seq.), and USEE shall  
12 be considered an employer subject to the National  
13 Labor Relations Act, the Employee Retirement In-  
14 come Security Act of 1974, the Fair Labor Stand-  
15 ards Act of 1938, and the Americans with Disabil-  
16 ities Act of 1990.

17 (4) TRANSFER OF BENEFITS.—Refederalization  
18 shall not diminish the accrued, vested pension bene-  
19 fits of employees of USEC, Inc. who participate in  
20 defined benefit plans. USEC, Inc.'s pension plans  
21 and retiree health care benefit plans and all of the  
22 assets held therein by these plans, including any ac-  
23 crued surplus, shall be transferred to USEE or a  
24 contractor to USEE immediately upon the transfer  
25 of ownership of USEC, Inc. USEE or a contractor

1 to USEE shall assume all liabilities for payment of  
2 pensions and retiree health care benefits for eligible  
3 employees who separated from employment with  
4 USEC, Inc. prior to the transfer of ownership of  
5 USEC, Inc. Employees who transfer from USEC,  
6 Inc. to USEE shall retain accrued service credits for  
7 purposes of vacation, seniority, 401(k) benefit plans,  
8 retiree health care benefits, and pensions. USEC,  
9 Inc. shall transfer the assets of all employee benefits  
10 plans to USEE or a contractor to USEE imme-  
11 diately upon the transfer of ownership of USEC,  
12 Inc. including 401(k) savings plans.

13 (5) GAS CENTRIFUGE ENRICHMENT PLANTS.—  
14 USEE or contractors retained by USEE shall, when  
15 hiring employees to manufacture or operate and  
16 maintain gas centrifuge or other advanced enrich-  
17 ment technology at the Department of Energy's  
18 Portsmouth, Ohio or Paducah, Kentucky facility,  
19 provide a right of first refusal to qualified or  
20 qualifiable individuals who are displaced or facing  
21 displacement from employment at the gaseous diffu-  
22 sion plants. Costs for training and retraining shall  
23 be provided through the Department of Energy Of-  
24 fice of Worker and Community Transition. USEE or  
25 its contractor performing operations, maintenance,

1 or security at a gas centrifuge facility shall, to the  
2 extent permissible, provide substantially equivalent  
3 wages and benefits to operations, maintenance, and  
4 security employees, assure pension and retiree health  
5 care benefit continuity, and recognize the incumbent  
6 bargaining representative for operations, maintenance,  
7 or security work to the extent permissible by  
8 law.

9 (6) PRIVATE RIGHT OF ACTION.—Any suit alleging a violation of any provision of subsections (d)  
10 and (e), to the extent it does not allege a violation  
11 of the National Labor Relations Act, may be  
12 brought in any district court of the United States  
13 having jurisdiction over the parties, without regard  
14 to the amount in controversy or the citizenship of  
15 the parties. Any suit alleging a violation of an agreement  
16 between an employer and a labor organization  
17 shall be brought in accordance with section 301 of  
18 the Labor Management Relations Act (29 U.S.C.  
19 185).

21 **SEC. 9. URANIUM TRANSFERS AND SALES.**

22 (a) CONVERSION COMPONENT.—Section 3112(b)(8)  
23 of the USEC Privatization Act (42 U.S.C. 2297h–  
24 10(b)(8)) is amended to read as follows:



1       “(8) The conversion component of the uranium  
2 hexafluoride delivered to the Russian Executive Agent  
3 under paragraph (3) or auctioned pursuant to paragraph  
4 (4) shall be subject to the restrictions of paragraph (5)  
5 as applied to equivalent amounts of uranium  
6 hexafluoride.”.

7       (b) SALES PRICES.—Section 3112(c) of the USEC  
8 Privatization Act (42 U.S.C. 2297h–10(c)) is amended by  
9 adding at the end the following:

10       “(3) Any or all U308 or conversion services contained  
11 in uranium hexafluoride transferred under paragraph (1)  
12 shall be sold at prices not less than the average domestic  
13 fair market value of such products. This value is deemed  
14 to be equivalent to the average domestic cost of production  
15 as of the date of enactment of this paragraph. Where a  
16 combination of such products is to be sold as in uranium  
17 hexafluoride or enriched uranium product, the prices allo-  
18 cated to each of the components in the respective trans-  
19 action shall be in the same ratio as the ratio of United  
20 States published spot market prices for U308, conversion  
21 and separative work units, as applicable, as prevailed at  
22 the date of enactment of this paragraph.”.

23       (c) DOMESTIC FAIR MARKET VALUE.—Section  
24 3112(d)(2) of the USEC Privatization Act (42 U.S.C.  
25 2297h–10(d)(2)) is amended by striking “, and” at the

1 end of subparagraph (B) and inserting a comma, by strik-  
2 ing the period at the end of subparagraph (C) and insert-  
3 ing “, and”, and by adding at the end the following:

4           “(D) the price at which the material is sold  
5 shall not be less than the domestic fair market value  
6 prevailing as of the date of enactment of this sub-  
7 paragraph. This value is deemed to be the average  
8 cost of production as of such date. If this material  
9 is sold as uranium hexafluoride or enriched uranium  
10 product, the component prices shall be allocated in  
11 the same ratio as prevailed in published prices as of  
12 such date.”.

13 **SEC. 10. AUDITS.**

14       (a) INDEPENDENT AUDITS.—

15           (1) IN GENERAL.—The financial statements of  
16 the Corporation shall be prepared in accordance with  
17 generally accepted accounting principles and shall be  
18 audited annually by an independent certified public  
19 accountant in accordance with auditing standards  
20 issued by the Comptroller General. Such auditing  
21 standards shall be consistent with the private sec-  
22 tor’s generally accepted auditing standards.

23           (2) REVIEW BY GAO.—The Comptroller General  
24 may review any audit of the Corporation’s financial  
25 statements conducted under paragraph (1). The

1 Comptroller General shall report to the Congress  
2 and the Corporation the results of any such review  
3 and shall include in such report appropriate rec-  
4 ommendations.

5 (b) GAO AUDITS.—

6 (1) IN GENERAL.—The Comptroller General  
7 may audit the financial statements of the Corpora-  
8 tion for any year in the manner provided in sub-  
9 section (a)(1).

10 (2) REIMBURSEMENT BY CORPORATION.—The  
11 Corporation shall reimburse the Comptroller General  
12 for the full cost of any audit conducted under this  
13 subsection, as determined by the Comptroller Gen-  
14 eral.

15 (c) AVAILABILITY OF BOOKS AND RECORDS.—All  
16 books, accounts, financial records, reports, files, papers,  
17 and other property belonging to or in use by the Corpora-  
18 tion and its auditor that the Comptroller General con-  
19 sidered necessary to the performance of any audit or review  
20 under this section shall be made available to the Comp-  
21 troller General.

22 (d) TREATMENT OF GAO AUDITS.—Activities the  
23 Comptroller General conducts under this section shall be  
24 in lieu of any other audit of the financial transactions of  
25 the Corporation the Comptroller General is required to

1 make under chapter 91 of title 31, United States Code,  
2 or other law.

3 **SEC. 11. ANNUAL REPORTS.**

4 (a) IN GENERAL.—The Corporation shall prepare  
5 and submit an annual report of its activities to the Presi-  
6 dent and the Congress. This report shall contain—

7 (1) a general description of the Corporation’s  
8 operations;

9 (2) a summary of the Corporation’s operating  
10 and financial performance, including an explanation  
11 of the decision to pay or not pay dividends;

12 (3) copies of audit reports;

13 (4) the information required under regulations  
14 issued under section 13 of the Securities Exchange  
15 Act of 1934 (15 U.S.C. 78m); and

16 (5) an identification and assessment of any im-  
17 pairment of capital or ability of the Corporation to  
18 comply with this Act.

19 (b) DEADLINE.—The report shall be completed not  
20 later than 120 days following the close of each of the Cor-  
21 poration’s fiscal years and shall accurately reflect the fi-  
22 nancial position of the Corporation at fiscal year end.

23 **SEC. 12. ACCOUNTS.**

24 (a) ESTABLISHMENT OF UNITED STATES ENRICH-  
25 MENT ENTERPRISE FUND.—There is established in the

1 Treasury of the United States a revolving fund, to be  
2 known as the “United States Enrichment Enterprise  
3 Fund”, which shall be available to the Corporation, with-  
4 out need for further appropriation and without fiscal year  
5 limitation, for carrying out its purposes, functions, and  
6 powers, and which shall not be subject to apportionment  
7 under subchapter II of chapter 15 of title 31, United  
8 States Code. Such fund shall accrue interest on balances  
9 by investing in short term debt securities of the United  
10 States.

11 (b) TRANSFER OF UNEXPENDED BALANCES.—On  
12 the transfer date, all cash reserves and short term debt  
13 instruments on the books of and owned by USEC, Inc.  
14 shall be deposited in the Fund.

15 **SEC. 13. AUTHORITY TO ISSUE DEBT OBLIGATIONS FOR DE-**  
16 **PLOYMENT OF NEW URANIUM ENRICHMENT**  
17 **FACILITIES.**

18 (a) ISSUANCE.—

19 (1) IN GENERAL.—The Corporation may issue  
20 and sell bonds, notes, and other evidences of indebt-  
21 edness (collectively referred to in this title as  
22 ‘bonds’), for the purpose of constructing new ura-  
23 nium enrichment facilities or conducting directly re-  
24 lated preconstruction activities.

1           (2) USE OF REVENUES.—The Corporation may  
2       pledge and use its revenues for payment of the prin-  
3       cipal of and interest on its bonds, for their purchase  
4       or redemption, and for other purposes incidental to  
5       these functions, including creation of reserve funds  
6       and other funds that may be similarly pledged and  
7       used.

8           (3) AGREEMENTS WITH HOLDERS AND TRUST-  
9       EES.—The Corporation may enter into binding cov-  
10      enants with the holders and trustees of its bonds  
11      with respect to—

12                (A) the establishment of reserve and other  
13      funds;

14                (B) stipulations concerning the subsequent  
15      issuance of bonds; and

16                (C) other matters not inconsistent with  
17      this Act; that the Corporation determines nec-  
18      essary or desirable to enhance the marketability  
19      of the bonds.

20      (b) TERMS AND CONDITIONS.—

21           (1) NEGOTIABLE; MATURITY.—Bonds issued by  
22      the Corporation under this section shall be nego-  
23      tiable instruments unless otherwise specified in the  
24      bond and shall mature not more than 50 years after  
25      their date of issuance.

1 (2) ROLE OF SECRETARY OF THE TREASURY.—

2 (A) RIGHT OF DISAPPROVAL.—The Cor-  
3 poration may set the terms and conditions of  
4 bonds issued under this section, subject to dis-  
5 approval of such terms and conditions by the  
6 Secretary of the Treasury within 5 days after  
7 the Secretary of the Treasury is notified of the  
8 following terms and conditions of the bonds:

9 (i) Their forms and denominations.

10 (ii) The times, amounts, and prices at  
11 which they are sold.

12 (iii) Their rates of interest.

13 (iv) The terms at which they may be  
14 redeemed by the Corporation before matu-  
15 rity.

16 (v) The priority of their claims on the  
17 Corporation's net revenues with respect to  
18 principal and interest payments.

19 (vi) Any other terms and conditions.

20 (B) INAPPLICABILITY OF RIGHT TO PRE-  
21 SCRIBE TERMS.—Section 9108(a) of title 31,  
22 United States Code, shall not apply to the Cor-  
23 poration.

24 (d) INAPPLICABILITY OF SECURITIES REQUIRE-  
25 MENTS.—The Corporation shall be considered an execu-

1 tive department of the United States for purposes of sec-  
2 tion 3(c) of the Securities Exchange Act of 1934 (15  
3 U.S.C. 78c(c)).

4 (e) APPLICABILITY OF FFB.—The Corporation may  
5 issue or sell bonds to the Federal Financing Bank, with  
6 the concurrence of the Secretary of Energy and the Sec-  
7 retary of Treasury, for purposes of purchasing equipment  
8 or constructing uranium enrichment facilities in Ports-  
9 mouth, Ohio and Paducah, Kentucky.

10 **SEC. 14. EXEMPTION FROM TAXATION AND PAYMENTS IN**  
11 **LIEU OF TAXES.**

12 (a) EXEMPTION FROM TAXATION.—In order to  
13 render financial assistance to those States and localities  
14 in which the facilities of the Corporation are located, the  
15 Corporation shall, beginning in fiscal year 2001, make  
16 payments to State and local governments as provided in  
17 this section. These payments shall be in lieu of any and  
18 all State and local taxes on the real and personal property  
19 of the Corporation. All property of the Corporation is ex-  
20 pressly exempted from taxation in any manner or form  
21 by any State, county, or other local government entity in-  
22 cluding State, county, or other local government sales tax.

23 (b) PAYMENTS IN LIEU OF TAXES.—Beginning in  
24 fiscal year 2001, the Corporation shall make annual pay-  
25 ments, in amounts determined by the Corporation to be



1 fair and reasonable, to the State and local governmental  
2 agencies having tax jurisdiction in any area where facili-  
3 ties of the Corporation are located. In making these deter-  
4 minations, the Corporation shall be guided by the fol-  
5 lowing criteria:

6           (1) The Corporation shall take into account the  
7           customs and practices prevailing in the area with re-  
8           spect to appraisal, assessment, and classification of  
9           industrial property and any special considerations  
10          extended to large-scale industrial operations.

11          (2) The payment made to any taxing authority  
12          for any period shall not be less than the payments  
13          that would have been made to the taxing authority  
14          for the same period by USEC, Inc. with respect to  
15          property that has been transferred to USEE and  
16          that would have been attributable to the ownership,  
17          management, operation, and maintenance of the De-  
18          partment's uranium enrichment facilities, applying  
19          the laws and policies prevailing immediately prior to  
20          the transition date.

21          (c) TIME OF PAYMENTS.—Payments shall be made  
22          by the Corporation at the time when payments of taxes  
23          by taxpayers to each taxing authority are due and payable.

1 (d) DETERMINATION OF AMOUNT DUE.—The deter-  
2 mination by the Corporation of the amounts due under  
3 this section shall be final and conclusive.

4 **SEC. 15. COOPERATION WITH OTHER AGENCIES.**

5 The Corporation may request to use on a reimburs-  
6 able basis the available services, equipment, personnel, and  
7 facilities of agencies of the United States, and on a similar  
8 basis may cooperate with such agencies in the establish-  
9 ment and use of services, equipment, and facilities of the  
10 Corporation. The Corporation may confer with and avail  
11 itself of the cooperation, services, records, and facilities  
12 of State, territorial, municipal, or other local agencies.

13 **SEC. 16. APPLICABILITY OF CERTAIN FEDERAL LAWS.**

14 (a) ANTITRUST LAWS.—The Corporation shall con-  
15 duct its activities in a manner consistent with the policies  
16 expressed in the following antitrust laws:

17 (1) The Sherman Act (15 U.S.C. 1–7).

18 (2) The Clayton Act (15 U.S.C. 12–27).

19 (3) Sections 73 and 74 of the Wilson Tariff Act  
20 (15 U.S.C. 8 and 9).

21 (b) ENVIRONMENTAL LAWS.—The Corporation shall  
22 be subject to, and comply with, all Federal and State,  
23 interstate, and local environmental laws and requirements,  
24 both substantive and procedural, in the same manner, and  
25 to the same extent, as any person who is subject to such

1 laws and requirements. For purposes of enforcing any  
2 such law or substantive or procedural requirements (in-  
3 cluding any injunctive relief, administrative order, or ad-  
4 ministrative penalty or fine) against the Corporation, the  
5 United States expressly waives any immunity otherwise  
6 applicable to the Corporation. For the purposes of this  
7 subsection, the term “person” means an individual, trust,  
8 firm, joint stock company, corporation, partnership, asso-  
9 ciation, State, municipality, or political subdivision of a  
10 State.

11 (c) OSHA REQUIREMENTS.—Notwithstanding sec-  
12 tions 3(5), 4(b)(1), and 19 of the Occupational Safety and  
13 Health Act of 1970 (29 U.S.C. 652(5), 653(b)(1), and  
14 668)), the Corporation shall be subject to, and comply  
15 with, such Act and all regulations and standards promul-  
16 gated thereunder in the same manner, and to the same  
17 extent, as an employer is subject to such Act. For the pur-  
18 poses of enforcing such Act (including any injunctive re-  
19 lief, administrative order, or civil, administrative, or crimi-  
20 nal penalty or fine) against the Corporation, the United  
21 States expressly waives any immunity otherwise applicable  
22 to the Corporation.

23 (d) LABOR STANDARDS.—The Act of March 3, 1931  
24 (known as the Davis-Bacon Act) (40 U.S.C. 276a et seq.)  
25 and the Service Contract Act of 1965 (41 U.S.C. 351 et

1 seq.) shall apply to the Corporation. All laborers and me-  
2 chanics employed on the construction, alteration, or repair  
3 of projects funded, in whole or in part, by the Corporation  
4 shall be paid wages at rates not less than those prevailing  
5 on projects of a similar character in the locality as deter-  
6 mined by the Secretary of Labor in accordance with such  
7 Act of March 3, 1931. The Secretary of Labor shall have,  
8 with respect to the labor standards specified in this sub-  
9 section, the authority and functions set forth in Reorga-  
10 nization Plan Numbered 14 of 1950 (15 F.R. 3176, 64  
11 Stat. 1267) and the Act of June 13, 1934 (40 U.S.C.  
12 276e). Determinations made under the Act of March 3,  
13 1931, shall not be used by USEE to determine whether  
14 to subcontract contract or self perform work activities, nor  
15 shall such determination be used to allocate or select any  
16 workforce for any covered work.

17 (e) ENERGY REORGANIZATION ACT REQUIRE-  
18 MENTS.—The Corporation is subject to the provisions of  
19 section 210 of the Energy Reorganization Act of 1974 (42  
20 U.S.C. 5850) to the same extent as an employer subject  
21 to such section, and, with respect to the operation of the  
22 facilities leased by the Corporation, section 206 of the En-  
23 ergy Reorganization Act of 1974 (42 U.S.C. 5846) shall  
24 apply to the directors and officers of the Corporation.

1       (f) EXEMPTION FROM FEDERAL PROPERTY RE-  
2 QUIREMENTS.—The Corporation shall not be subject to  
3 the Federal Property and Administrative Services Act of  
4 1949 (41 U.S.C. 471 et seq.).

5 **SEC. 17. CONTROL OF INFORMATION.**

6       (a) IN GENERAL.—Except as provided in subsection  
7 (b), the Corporation may protect trade secrets and com-  
8 mercial or financial information to the same extent as a  
9 privately owned corporation.

10       (b) OTHER APPLICABLE LAWS.—Section 552 of title  
11 5, United States Code, shall apply to the Corporation, and  
12 such information shall be subject to the applicable provi-  
13 sions of law protecting the confidentiality of trade secrets  
14 and business and financial information, including section  
15 1905 of title 18, United States Code. Transcripts of the  
16 Board of Directors’ meetings shall be made available to  
17 the public in a public reading room at the USEE head-  
18 quarters and upon request consistent with section 552 of  
19 title 5, United States Code.

20 **SEC. 18. TRANSITION.**

21       (a) TRANSITION MANAGER.—Within 30 days after  
22 the date of the enactment of this Act, the President shall  
23 appoint a Transition Manager, who shall serve at the  
24 pleasure of the President until a quorum of the Board has  
25 been appointed and confirmed by the United States Sen-

1 ate in accordance with section 7. The Transition Manager  
2 shall be paid at the same rate as is paid a member of  
3 the Cabinet under section 5312 of title 5, United States  
4 Code, and shall then serve at the pleasure of the Board.

5 (b) POWERS.—

6 (1) IN GENERAL.—Until a quorum of the  
7 Board has qualified, the Transition Manager shall  
8 exercise the powers and duties of the Board.

9 **SEC. 19. MARKETING AND CONTRACTING AUTHORITY.**

10 (a) EXCLUSIVE MARKETING AGENT.—USEE shall  
11 act as the exclusive marketing agent on behalf of the  
12 United States Government for entering into contracts for  
13 providing enriched uranium (including low-enriched ura-  
14 nium derived from highly enriched uranium) and uranium  
15 enrichment and related services. The Department may not  
16 market enriched uranium (including low-enriched uranium  
17 derived from highly enriched uranium) or uranium enrich-  
18 ment and related services, after the transition date.

19 (b) TRANSFER OF CONTRACTS.—

20 (1) IN GENERAL.—Except as provided in para-  
21 graph (2), all contracts, agreements, and leases be-  
22 tween the Energy Department and USEC, Inc. in-  
23 cluding all uranium enrichment contracts and power  
24 purchase contracts, that have been executed before  
25 the transition date and that relate to uranium en-

1        enrichment and related services shall transfer to the  
2        Corporation.

3            (2) NONTRANSFERABLE POWER CONTRACTS.—

4        If the Secretary of Energy determines that a power  
5        purchase contract executed by the Department prior  
6        to the transfer of ownership of USEC, Inc. date can-  
7        not be transferred under its terms, the Secretary  
8        may continue to receive power under the contract  
9        and resell such power to the Corporation at cost.

10        (c) SALES OF SERVICES.—The USEE may only sell  
11        uranium and conversion services from its inventories in  
12        a manner that will have no material adverse impact on  
13        the domestic conversion or mining industries, consistent  
14        with the restrictions contained in the USEC Privatization  
15        Act.

16        **SEC. 20. PRICING.**

17        (a) SERVICES PROVIDED TO COMMERCIAL CUS-  
18        TOMERS.—The Corporation shall establish prices for its  
19        products, materials, and services provided to customers  
20        other than the Department on a basis that will allow it  
21        to be competitive in the marketplace for such services.

22        (b) SERVICES PROVIDED TO DOE.—The Corporation  
23        shall charge prices to the Department for uranium enrich-  
24        ment services provided on a basis that will allow it to re-

1 cover its costs, on a yearly basis, for providing products,  
2 materials, and services.

3 **SEC. 20. LEASING OF ENRICHMENT FACILITIES OF DEPART-**  
4 **MENT.**

5 (a) IN GENERAL.—The Corporation shall lease the  
6 Paducah Gaseous Diffusion Plant in Paducah, Kentucky,  
7 the Portsmouth Gaseous Diffusion Plant in Piketon, Ohio,  
8 and related property of the Department, until January 1,  
9 2005. Thereafter, the Corporation shall have the exclusive  
10 option to lease such facilities and related property for ad-  
11 ditional periods.

12 (b)(1) TERMS OF LEASE.—The Corporation and the  
13 Energy Department shall set mutually agreeable terms for  
14 a lease under subsection (a), including specifying annual  
15 payments to the Department by the Corporation for the  
16 lease of facilities, buildings, structures, and equipment.  
17 The amount of annual payments shall be equal to the cost  
18 incurred by the Department in administering the lease and  
19 providing services related to the lease to USEE (excluding  
20 depreciation and imputed interest on original plant invest-  
21 ments in the Department's gaseous diffusion plants and  
22 costs under subsection (d)).

23 (2) GAS CENTRIFUGE ENRICHMENT PLANT.—The  
24 Department of Energy is authorized, subject to conditions  
25 contained in this Act, to enter into a lease for the Depart-



1 ment of Energy's GCEP facilities at Portsmouth, Ohio or  
2 other buildings, land, or structures at the Paducah, Ken-  
3 tucky facility for purposes of deploying centrifuge or other  
4 advanced enrichment technology. The Secretary of Energy  
5 shall provide that, after consultation with Community  
6 Reuse Organizations, affected employee representatives,  
7 and local governments, that the terms of such lease shall  
8 require USEE, or its contractors or DOE's contractors  
9 to provide a right of first refusal to those workers who  
10 are displaced from employment at the gaseous diffusion  
11 plants.

12 (c) EXCLUSION OF FACILITIES FOR PRODUCTION OF  
13 HIGHLY ENRICHED URANIUM.—Subsection (a) shall not  
14 apply to Department facilities necessary for the produc-  
15 tion of highly enriched uranium. The Secretary may grant  
16 to the Corporation access to such facilities for purposes  
17 other than the production of highly enriched uranium.

18 (d) DOE RESPONSIBILITY FOR PREEXISTING CONDI-  
19 TIONS.—The payment of any costs of decontamination  
20 and decommissioning, environmental response actions, or  
21 corrective actions with respect to conditions existing before  
22 July 28, 1998, shall remain the sole responsibility of the  
23 Department of Energy.

24 (e) ENVIRONMENTAL AUDIT.—The Secretary of En-  
25 ergy, in consultation with the Administrator of the Envi-

1 ronmental Protection Agency, shall conduct a comprehen-  
2 sive environmental audit identifying environmental condi-  
3 tions that will remain the responsibility of the Department  
4 of Energy pursuant to subsection (d) after the transfer  
5 of ownership of USEC, Inc. Such audit shall be completed  
6 no later than 180 days after the transfer of ownership of  
7 USEC, Inc.

8 (f) TREATMENT UNDER PRICE-ANDERSON PROVI-  
9 SIONS.—Any lease executed between the Secretary and the  
10 Corporation under this section shall be deemed to be a  
11 contract for purposes of section 170(d) of the Atomic En-  
12 ergy Act of 1954.

13 (g) WAIVER OF EIS REQUIREMENT.—The execution  
14 of the lease by the Corporation and the Department shall  
15 not be considered a major Federal action significantly af-  
16 fecting the quality of the human environment for purposes  
17 of section 102 of the National Environmental Policy Act  
18 of 1969 (42 U.S.C. 4332).

19 **SEC. 21. CAPITAL STRUCTURE OF CORPORATION.**

20 (a) CAPITAL STOCK.—

21 (1) ISSUANCE TO SECRETARY OF THE TREAS-  
22 URY.—The Corporation shall issue capital stock.  
23 Such stock shall represent an equity investment  
24 equal to the net valuation of the corporation at the  
25 time of the transfer of ownership of USEC, Inc. The

1 Secretary of the Treasury shall hold such stock for  
2 the United States, except that all rights and duties  
3 pertaining to management of the Corporation shall  
4 remain vested in the Board.

5 (2) RESTRICTION ON TRANSFERS OF STOCK BY  
6 UNITED STATES.—The capital stock of the Corpora-  
7 tion shall not be sold, transferred, or conveyed by  
8 the United States.

9 (3) ANNUAL ASSESSMENT.—The Secretary of  
10 the Treasury shall annually assess the value of the  
11 stock held by the Secretary under paragraph (1) and  
12 submit to the Congress a report setting forth such  
13 value. The annual assessment of the Secretary shall  
14 be subject to review by an independent auditor.

15 (b) PAYMENT OF DIVIDENDS.—The Corporation  
16 may, at the discretion of the Board of Directors, pay into  
17 miscellaneous receipts of the Treasury of the United  
18 States or such other fund as is provided by law, dividends  
19 on the capital stock, out of earnings of the Corporation,  
20 as a return on the investment represented by such stock  
21 if such funds are not required for the projected operations  
22 of USEE.

23 (c) PATENTS OF THE ENERGY DEPARTMENT.—The  
24 Corporation may at any time apply to the Department of  
25 Energy for a patent license for the use of an invention

1 or discovery useful in the production or utilization of spe-  
2 cial nuclear material or atomic energy covered by a patent  
3 when the patent has not been declared to be affected with  
4 the public interest and when use of the patent is within  
5 the Corporation's authority.

6 **SEC. 22. AUTHORITY TO CONDUCT HOT STANDBY AND**  
7 **STRATEGIC RESERVE ACTIVITIES ON BEHALF**  
8 **OF THE UNITED STATES.**

9 (a) HOT STANDBY.—In the event that a gaseous dif-  
10 fusion plant is closed, the Department of Energy is au-  
11 thorized to contract with USEE to operate gaseous diffu-  
12 sion plants on hot standby, in order to assure reliability  
13 of enrichment capacity. Subject to appropriations, the De-  
14 partment of Energy is authorized to expend \$100,000,000  
15 per year to carry out this activity until September 30,  
16 2005.

17 (b) STRATEGIC SWU RESERVE.—The Department of  
18 Energy is directed to assess the long term needs of the  
19 domestic nuclear utility industry with respect to low en-  
20 riched uranium, and to establish adequate strategic re-  
21 serves to assure reliable supply in the event a uranium  
22 enrichment plant is closed and the United States is de-  
23 pendent upon only one gaseous diffusion plant. Such sup-  
24 ply shall be sufficient to cover interruptions of 100 percent  
25 of United States demand and 100 percent of United

1 States obligations to any other country under the provi-  
2 sions of the Nuclear Nonproliferation Act of 1978 until  
3 new uranium enrichment technology has been deployed.  
4 The Department is authorized to contract with USEE to  
5 purchase at cost the SWU delivered under the Russian  
6 HEU Agreement, at prices to be determined through an  
7 arms length transaction between the parties, and contract  
8 with USEE to provide blend down services for highly en-  
9 riched uranium for this strategic reserve.

10 **SEC. 23. AUTHORITY TO ENTER INTO SUBLEASES FOR PUR-**  
11 **POSES OF ECONOMIC DEVELOPMENT.**

12 The USEE is authorized to enter into subleases with  
13 Community Reuse Organization for the re-use and rede-  
14 velopment of property owned by the Department of En-  
15 ergy and leased by USEE at the Portsmouth Gaseous Dif-  
16 fusion Plant and Paducah Gaseous Diffusion Plant. Such  
17 subleases shall be subject to the approval of the Secretary  
18 of Energy.

19 **SEC. 24. LIABILITY.**

20 No civil actions may be brought in any court against  
21 any Federal official for any acts arising out of the refed-  
22 eralization of USEC, Inc., except with respect to Federal  
23 securities laws or violations of title 18, United States  
24 Code.

○